City Online
SERVICES LIMITED
Internet Services with world class technology

Wi-Fi City

To,
BSE Limited
P. J. Towers, Dalal Street
Mumbai-400001

Date: 29.05.2026

Dear Sir/Madam,

Sub: Outcome of Board Meeting under Regulation 30 read with 33 (3) (c) of SEBI (Listing Obligations and Disclosure requirements) regulations, 2015

Unit: City Online Sevices Limited (Scrip Code: 538674)

With reference to the subject cited, this is to inform the Exchange that at the Board meeting of City Online Services Limited held on Friday, the 29th day of May, 2026 at 03.00 P.M. at registered office of the Company, the following were duly considered and approved by the Board.

1. Audited Financial Results of the Company for the Quarter & Financial Year ended 31st March, 2026 along with Statement of Impact of Auditor Qualification on Financial Results of the Company for the Financial Year ended 31st March, 2026.

2. Appointment of M/s. D. Rambabu & Co, Chartered Accountant as Internal Auditors of the Company for the Financial Year 2026-27.

3. Appointment of M/s. Vivek Surana & Associates, Practicing Company Secretaries as Secretarial Auditor of the Company for the Financial Year 2026-27.

The meeting of the Board of Directors concluded at 09.20 PM

This is for the information and records of the Exchange, please.

Thanking you.

Yours faithfully,
For City Online Services Limited

SURYADEVARA RAGHAVA RAO
Digitally signed by SURYADEVARA RAGHAVA RAO
Date: 2026.05.29 21:47:56 +05'30'

S. Raghava Rao
Chairman and Managing Director
(DIN: 0144612)

CITY ONLINE SERVICES LTD * HYDERABAD *

City Online
SERVICES LIMITED
Internet Services with world class technology

Wi-Fi City

Statement of Profit and Loss for the period ended March 31, 2026
CIN: L72200TG1999PLC032114
(All amounts in Rs. In Lakhs, unless otherwise stated)

Particulars	Note	For the Quarter ended March 31,2026	For the Quarter ended December 31,2025	For the Quarter ended March 31, 2025	For the year ended March 31, 2026	For the year ended March 31, 2025
I REVENUE						
Revenue from Operations [Gross]	26	188.55	189.72	155.13	772.22	750.81
Other Operating Income	27	-	-	-		-
Total Revenue from Operations		188.55	189.72	155.13	772.22	750.81
Other Income	28	30.67	6.21	21.88	40.24	28.69
TOTAL REVENUE [I]		219.22	195.93	177.01	812.47	779.50
II EXPENSES						
Employee benefit expenses	29	46.93	43.31	46.16	177.27	165.72
Finance costs	30	0.25	2.21	2.16	6.79	10.74
Depreciation and amortization expense	3, 4 & 5	6.57	7.92	7.6	28.05	33.19
Bandwidth expenses	31	141.27	128.02	75.66	520.95	461.34
Other expenses	32	20.34	24.33	30.73	110.16	84.31
TOTAL EXPENSES [II]		215.34	205.79	162.4	843.21	755.30
III Profit/(Loss) Before Tax		3.88	-9.86	14.62	-30.74	24.20
IV Tax Expense:						
- Current tax	33	-	-	3.78	-	3.78
- Deferred tax	33	18.53	-0.94	20.04	16.47	16.91
V Profit/(Loss) for the period		-14.65	-8.92	-9.2	-47.21	3.51
VI Other Comprehensive Income						
Items that will not be reclassified to profit or loss				9.45	-	9.45
obligations				14.01		14.01
- Remeasurements of financial assets						
- Recognition of borrowings using effective interest rate						
Other comprehensive income for the year, net of tax			-8.92	14.26	-47.21	26.97
VII Earnings per equity share Rs. 10/- each fully paid						
- Basic	39	-0.28	-0.17	-0.18	-0.91	0.07
- Diluted	39	0.06	-0.17	-0.18	-0.91	0.07

Notes to the financial results:

1. The above financial results for the quarter and nine months ended 31st March, 2026 were reviewed by the audit committee and approved by the Board of Directors at its meeting held on 29th May,2026.

2. The Financials Results have been prepared in accordance with the Indian Accounting Standards (Ind-AS) prescribed under section 133 of the companies Act,2013 read with rules issued there under and other accounting principles generally accepted in india and interms of the Regulation 33 of SEBI (Listing obligations and Disclosure Requirements) Regulations 2015

3. The Company is primarily engaged in Internet solutions and services . There are no other reportable segments in terms of Indian Accounting Standard 108 on 'Operating segments'.

For and on behalf of the Board of Directors of
CITY ONLINE SERVICES LIMITED

S. Raghava Rao
Chairman and Managing Director
DIN: 01441612

CITY ONLINE SERVICES LTD * HYDERABAD

Place: Hyderabad
Date: 29-05-2026

Balance Sheet as at March 31, 2026
CIN: L72200TG1999PLC032114
(All amounts in Rs. In Lakhs, unless otherwise stated)

	Particulars	Note	As at March 31, 2026	As at March 31, 2025
A	ASSETS			
1	Non-Current Assets			
	(a) Property, plant and equipment	3	102.47	130.34
	(b) Intangible assets	4	0.04	0.10
	(c) Right of use of Asset	5	-	
	(d) Financial Assets		-	
	- Investments	6	0.50	0.50
	- Other non-current assets	7	17.54	13.44
	(e) Deferred tax assets [Net]	8	58.53	75.00
	(f) Other non-current assets	9	-	
	Total Non-Current Assets [A]		179.08	219.38
2	Current Assets			
	(a) Inventories	10	5.82	
	(b) Financial Assets			
	- Loans and Advances	11	15.51	14.97
	- Trade receivables	12	102.03	85.93
	- Cash and cash equivalents	13	0.30	0.11
	- Other Bank balances	14	64.16	154.05
	- Other financial current assets	15	21.84	3.53
	(c) Other current assets	16	75.31	86.79
	Total Current Assets [B]		284.97	345.37
	TOTAL ASSETS [A+B]		464.05	564.75
B	EQUITY AND LIABILITIES			
1	Equity			
	(a) Equity Share Capital	17	516.47	516.47
	(b) Other Equity	18	-571.19	-523.98
	Total Equity [A]		-54.72	-7.51
2	Non-Current Liabilities			
	(a) Financial Liabilities			
	- Borrowings	19	-	-
	-Lease liability	20	-	-
	(b) Provisions	21	17.71	15.63
	Total Non-Current Liabilities [B]		17.71	15.63
3	Current Liabilities			
	(a) Financial Liabilities			
	- Borrowings	22	15.59	98.53
	- Trade payables	23	220.54	182.30
	-Provisions	24	0.92	5.81
	-Other current financial liabilities	24A	17.52	15.13
	(b) Other current liabilities	25	246.49	254.87
	Total Current Liabilities [C]		501.06	556.63
	TOTAL EQUITY AND LIABILITIES [A+B+C]		464.05	564.75

For and on behalf of the Board of Directors of
CITY ONLINE SERVICES LIMITED

S. Raghava Rao
Chairman and Managing Director
DIN: 01441612

Place: Hyderabad
Date: 29.05.2026

Cash Flow Statement for the period ended March 31, 2026

Particulars	Note	For the year ended March 31, 2026		For the year ended March 31, 2025	
A. Cash flow from operating activities					
Profit / (Loss) before tax		-30.74		24.20	
Adjustments:					
Depreciation and amortisation		28.05		33.19	
Finance cost		6.79		10.74	
Assets Writeoff		0.02		-	
Remeasurement of post employee benefits		-		9.45	
Remeasurements of financial assets		-		14.01	
Interest on Deposits		-10.59		-	
Sale of Scrap		-0.08		-	
Provision written back		-		-15.42	
			-6.55	-10.24	65.93
Cash generated before working capital changes			-6.55		65.93
(Increase)/Decrease in inventories		-5.82		-	
(Increase)/Decrease in trade receivables		-16.10		54.34	
(Increase)/Decrease in Short term loans & Advances				-0.30	
(Increase)/Decrease in other Financial current assets		-17.65		-3.85	
(Increase)/Decrease in other bank balances				-5.89	
(Increase)/Decrease in other Financial non current assets		-4.10		-	
(Increase)/Decrease in other current assets		11.48		2.20	
Increase/(Decrease) in long term provisions		2.08		-8.26	
Increase/(Decrease) in Trade Payables		38.23		-83.72	
Increase/(Decrease) in Short term provisions		-4.89		-0.27	
Increase/(Decrease) in Financial current liabilties		2.39		-	
Increase/(Decrease) in other current liabilities		-8.38		16.91	
			-2.75		-28.85
Cash generated from operations			-9.30		37.09
Direct taxes refund/ (paid)			-		-3.78
Net cash flow from operating activities (A)			-9.30		33.32
B. Cash flows from investing activities					
Purchase / (Proceeds) of property, plant and equipment, including intangible assets		-0.14		-1.06	
Loans to related Parties		-0.54		-	
Investment in bank deposits		99.81		-	
Income from Sale of Scrap		0.08		10.24	
			99.20	2.34	11.53
Net cash flow used in investing activities (B)			99.20		11.53
C. Cash flows from financing activities					
(Repayment)/Proceeds from long term borrowings		-		-	
Decrease in Share capital		-		-	
Payment of Lease liability		-		-4.98	
(Repayment) / Proceeds from working capital borrowings		-89.71		-33.51	
			-89.71	-10.74	-49.23
Net cash flow used in financing activities (C)			-89.71		-49.23
D. Net Increase/(decrease) in cash and cash equivalents (A+B+C)			0.19		-4.38
E. Cash and cash equivalents			0.11		4.49
at the beginning of the year	13		0.30		0.11
at the end of the year					
Components of cash and cash equivalents					
Balance with banks			0.16		0.06
- In current accounts			-		-
- Deposits with maturity less than 3 months			0.14		0.05
Cash on hand					
Less: Bank overdraft					
			0.30		0.11

Cash and cash equivalents at the end of the year

The cash flow statement is prepared in accordance with the indirect method stated in Accounting Standard 3 on Cash Flow Statement' and presents the Cash Flows by Operating , Investing and Financing activities.

For and on behalf of the Board of Directors of
CITY ONLINE SERVICES LIMITED

S. Raghava Rao
Chairman and Managing Director
DIN: 01441612

Place: Hyderabad
Date:-29.05.2026

CITY ONLINE SERVICES LTD * HYDERABAD *

Independent Auditor's Report on the Financial Results of City Online Services Limited for the Quarter and Year Ended 31st March 2026, pursuant to the Regulation 33 and Regulation 52 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended.

To
The Board of Directors,
City Online Services Limited
Hyderabad.

Report on the Audit of the Financial Results

Qualified Opinion

We have audited the Financial Results ("the Statement") of City Online Services Limited ("the Company") for the quarter and year ended March 31, 2026, attached herewith, being submitted by the Company pursuant to the requirement of Regulation 33 and Regulation 52 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended (" the Listing Regulations"), read with SEBI Circular No. CIR/CFD/CMD1/80/2019 dated 19th July 2019 and SEBI Circular No. SEBI/HO/DDHS/CIR/2021/0000000638 dated 14th October 2021.

In our opinion and to the best of our information and according to the explanations given to us except for the effect of matter described in the "Basis for Qualified Opinion" section of our report, the Statement:

a) is presented in accordance with the requirements of Regulation 33 and Regulation 52 of the Listing Regulations in this regard, and
b) gives a true and fair view in conformity with the recognition and measurement principles laid down in the applicable Indian Accounting Standards and other accounting principles generally accepted in India of the net loss and other comprehensive income and other financial information for quarter and year ended on March 31, 2026.

Basis for Qualified Opinion

1. We draw attention to Note No.17 & 18 to the financial statements wherein the net worth of the company is completely eroded, Current Liabilities exceed the Current Assets. This situation indicates that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern. The financial statements do not adequately disclose this matter and we have not been able to corroborate the Management's contention regarding preparation of financial statements of the company on a going concern basis, notwithstanding the fact that the company continues to incur cash losses, its net worth has been fully eroded (Negative Networth as on 31st March 2026 Rs. 54.72 Lakhs)

REG.No. 001420S/S200034 HYDERABAD

2. We observed differences in the revenue as per books of accounts with the revenue reported in GST Returns, thereby resulting in under reporting of Revenue to the Authorities by Rs. 42.06 Lakhs.
3. A discrepancy was observed between the input tax credit recorded in the books of accounts and the input tax credit reported in GSTR-3B returns. Specifically, CGST and SGST balances in the books are overstated by Rs. 2.13 lakhs and Rs. 2.26 lakhs, respectively, whereas IGST is understated by Rs. 0.69 lakhs.
4. As of 31st March 2026, we have identified unbilled revenue amounting to ₹18.88 lakhs. This represents services rendered, but invoices were not raised and issued.
5. The Company has not recognized Expected Credit Loss on financial assets as required by Ind AS 109. Management has not performed impairment assessment using the ECL model.
6. The Company has granted loans to a related party amounting to Rs. 0.54 Lakhs during the current financial year, aggregating to a total outstanding loan of Rs. 15.51 lakhs as at the balance sheet date. Considering the Company's negative net worth, the aforesaid loans exceed the limits prescribed under Section 186(2) of the Companies Act, 2013. However, the Company has not obtained the requisite approval of shareholders by way of a special resolution, and unanimous approval of the Board of Directors as required under Section 186(5) of the Act.

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.

Emphasis of Matter

We draw attention to the following matters:

1. We draw attention to Note 3 to the financial statements relating to Property Plant and Equipment, the Company is under the process of reconciling and checking Expired Assets, Assets fully depreciated as on the balance sheet date. This indicates deficiencies in fixed asset records. Unable to obtain sufficient audit evidence on accuracy, completeness, existence and valuation of PPE. Impact on depreciation, retained earnings and carrying value remains undetermined.
2. Note 12 to the financial statements represents the balance amounting to Rs. 102.03 Lakhs under the head "Financial Assets- Trade Receivables" regarding amount receivable from Sundry Debtors as on balance sheet date is subject to confirmations and reconciliations and consequential adjustments, if any.

KOMANDOOR & CO., LLP. REG.No. 001420S/S200034 HYDERABAD CHARTERED ACCOUNTANTS

3. Note 23 to the financial statements represents the balance amounting to Rs. 220.54 Lakhs under the head "Financial Liabilities - Trade Payables" regarding amount payable to sundry creditors as on balance sheet date is subject to confirmations and reconciliations and consequential adjustments, if any.
4. We draw attention to Note 23 of the financial statements relating to trade payables balances, the Company is under the process of identifying MSME Creditors and its ageing.

Our Opinion is not modified in respect of the above matters.

Management's Responsibilities for the Financial Results

This Statement, which is the responsibility of the Company's Management and approved by the Board of Directors, has been prepared on the basis of the related Audited Financial Statements of the Company. The Company's Board of Directors are responsible for the preparation and presentation of the Financial Results that give a true and fair view of the net loss and other comprehensive income and other financial information in accordance with the recognition and measurement principles laid down in Indian Accounting Standards prescribed under Section 133 of the Act, read with relevant rules issued there under and other accounting principles generally accepted in India and in compliance with Regulation 33 and Regulation 52 of the Listing Regulations. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Financial Results that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the Financial Results, the Board of Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors are also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Results

Our objectives are to obtain reasonable assurance about whether the Statement as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable

KOMANDOOR & CO., LLP. REG.No. 001420S/S200034 HYDERABAD CHARTERED ACCOUNTANTS

assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Financial Results.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial results, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls with reference to Financial Statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors.
- Conclude on the appropriateness of the Board of Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial results or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the Financial Results, including the disclosures, and whether the Financial Results represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial statements / financial information to express an opinion on the financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of the components which have been audited by us.

KOMANDOOR & CO., LLP. REG.No. 001420S/S200034 HYDERABAD CHARTERED ACCOUNTANTS

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

For Komandoor & Co LLP
Chartered Accountants

CA P V Ram
Partner
FRN: 001420S/S200034
M No: 029565
UDIN: 26029565CADYRR8807
Date:29-05-2026.

City Online SERVICES LIMITED

Wi-Fi City

Statement on Impact of Audit Qualifications (for audit report with modified opinion) submitted along with Financial Results

I. ₹ in Lakhs

Statement on Impact of Audit Qualifications for the Quarter and Year ended 31 March, 2026			
Sl. No.	Particulars	Audited Figures (as reported before adjusting For qualifications)	Adjusted Figures (audited figures after adjusting for qualifications)
1.	Turnover / Total income	812.47	812.47
2.	Total Expenditure	843.21	843.21
3.	Net Profit/(Loss)	(47.21)	(47.21)
4.	Earnings/(Loss) Per Share	(0.91)	(0.91)
5.	Total Assets	464.05	464.05
6.	Total Liabilities	464.05	464.05
7.	Net Worth	(54.72)	(54.72)
8.	Any other financial item(s) (as felt appropriate by the management)	NA	NA

II. Audit Qualifications

a. Details of Audit Qualifications:	1. We draw attention to Note No.18 to the financial statements wherein the net worth of the company is completely eroded, Current Liabilities exceed the Current Assets. This situation indicates that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern. The financial statements do not adequately disclose this matter and we have not been able to corroborate the Management's contention regarding preparation of financial statements of the company on going concern basis, notwithstanding the fact that the company continues to incur cash losses, its net worth has been fully eroded (Negative Networth as on 31st March 2026 Rs.54.72 Lakhs) 2. We observed differences in the revenue as per books of accounts with the revenue reported in GST Returns, thereby resulting in under reporting of Revenue to the Authorities by Rs. 42.06 Lakhs. 3. A discrepancy was observed between the input tax credit recorded in the books of accounts and the input tax credit reported in GSTR-3B returns. Specifically, CGST and SGST balances in the books are overstated by Rs. 2.13 lakhs and Rs. 2.26 lakhs,

KOMANDOOR & CO., LLP. REG.No. 001420S/S200034 HYDERABAD CHARTERED ACCOUNTANTS

CITY ONLINE SERVICES LTD HYDERABAD

	respectively, whereas IGST is understated by Rs. 0.69 lakhs. 4. As of 31st March 2026, we have identified unbilled revenue amounting to ₹18.88 lakhs. This represents services rendered, but invoices were not raised and issued. 5. The Company has not recognized Expected Credit Loss on financial assets as required by Ind AS 109. Management has not performed impairment assessment using the ECL model. 6. The Company has granted loans to a related party amounting to Rs. 0.54 Lakhs during the current financial year, aggregating to a total outstanding loan of Rs. 15.51 lakhs as at the balance sheet date. Considering the Company's negative net worth, the aforesaid loans exceed the limits prescribed under Section 186(2) of the Companies Act, 2013. However, the Company has not obtained the requisite approval of shareholders by way of a special resolution, and unanimous approval of the Board of Directors as required under Section 186(5) of the Act.
b. Type of Audit Qualification:	Qualified Opinion
c. Frequency of qualification:	New and Repetitive Qualifications
d. For Audit Qualification(s) where the impact is quantified by the auditor, Management's Views:	Reply to Audit Qualifications: Management have noticed the qualifications reported by statutory auditors management be hereby confident in coming quarters revenues will be pick up , the negative net worth will be positive in coming quarters , and in respect of other qualifications management will take necessary steps to resolve the qualifications.
e. For Audit Qualification(s) where the impact is not quantified by the auditor: (i) Management's estimation on the impact of audit qualification: (ii) If management is unable to estimate the impact, reasons for the same: (iii) Auditors' Comments on (i) or (ii) above:	(i) NA (ii) NA (iii) NA

KOMANDOOR & CO., LLP. REG.No. 001420S/S200034 HYDERABAD CHARTERED ACCOUNTANTS

CITY ONLINE SERVICES LTD HYDERABAD

III. Signatories:

CEO/Managing Director	
CFO	
Audit Committee Chairman	
Statutory Auditor	CA P V Ram, Komandoor & Co LLP, Hyderabad
Place: Hyderabad	
Date: 29th May, 2026	